

MEETING MINUTES

Kentucky Soil and Water Conservation Commission

Monday November 17, 2014 – 9:00 am

Two Hundred and Ninety-First Meeting

In Attendance: John Denton, Chairman; Jack Roberts, Vice-Chairman; Ray Adams, Secretary; Scotty Parsons; Danny Shipley; Billy Doolin; and Sanford Holbrook. Others Present: Commissioner Steve Hohmann, DNR; Deputy Commissioner Sandy Gruzesky, DNR; Assistant State Conservationist Reed Cripps, NRCS; and President David Rowlett, KACD.

Also in attendance were Division of Conservation employees Kim Richardson, Director; Johnna McHugh, Assistant Director; and Jeffrey Reed.

Quorum was met.

Meeting Called to Order - at 9:02 a.m. by Chairman John Denton.

SWCC Minutes From Last Meeting - September 15, 2014 - Motion to approve minutes was made by Mr. Scotty Parsons. Motion seconded by Mr. Sanford Holbrook. **Motion carried.**

Equipment Report - DOC Assistant Director Johnna McHugh presented the report with copies given.

Statement of Operations - The portion of the report which lists "payments received" will now look differently. Our cabinet officials have requested that we no longer keep all amortization and interest funds as two (2) separate/distinct accounts. Ms. McHugh stated however, for board purposes and use only, she would continue to show these funds as separate.

DOC Director Kim Richardson in questioning why the state had not yet taken the \$1.125 million out of this last budget cycle, as they informed her they would, was told that the money would now be taken at the end of the fiscal year, June 30, 2015.

Motion to accept the Statement of Operations as presented was made by Mr. Sanford Holbrook. Motion seconded by Mr. Billy Doolin. **Motion carried.**

Approval of Equipment Loan Requests - There were no new loan requests.

Approval of Infrastructure Loan Requests - There were no new loan requests. Trigg County has now paid off their infrastructure loan.

Vacancy Petitions for Conservation District Supervisor's Appointments - DOC Director Kim Richardson presented the report with copies given.

Lincoln County - John Calvin Peek to fill the unexpired term of Charles Martin (2016)

Martin County - Virginia Bedilion to fill the unexpired term of Timothy Maynard (2016)

Harrison County - Russell Gray to fill the unexpired term of Manville Bradford (2016)

Perry County - Anthony Mullins to fill vacancy created when Barbara Falk moved out of the county (2016)

Motion to accept the vacancy petitions was made by Mr. Sanford Holbrook. Motion was seconded by Mr. Jack Roberts. **Motion carried.**

Incentive Pay For Supervisors

Simpson County

Joe Glenn Cushenberry - Area 3 Meeting, KACD Convention; 8 ten-minute trainings

Mitchell B. Estes - Area 3 Meeting, KACD Convention; 8 ten-minute trainings

Larry Gomer - Area 3 Meeting, KACD Convention; 8 ten-minute trainings

Bruce Akin - Area 3 Meeting, KACD Convention; 8 ten-minute trainings

Martin County

James Bedilion - KACD Convention; 12 ten-minute trainings

Motion to accept incentive pay for supervisors per diem was made by Mr. Scotty Parsons. Motion seconded by Mr. Danny Shipley. **Motion carried.**

Agriculture District Program - DOC Assistant Director Johnna McHugh presented the report with copies given.

One (1) new petition (an amendment) was presented to the Commission for consideration for a total of 30 acres.

Marion County (Petition No. 078-03 (A1) - 30 acres. Motion to approve was made by Mr. Danny Shipley. Motion seconded by Mr. Sanford Holbrook. **Motion carried.**

Fourteen (14) agricultural districts have been submitted to the Commission for five-year recertification for a total of 4,191.76 acres. Motion to approve was made by Mr. Sanford Holbrook. Motion seconded by Mr. Jack Roberts. **Motion carried.**

Division of Conservation Report - DOC Director Kim Richardson presented the report.

Staff Changes - On Monday, November 24th, both Ms. Richardson and Ms. Johnna McHugh will be in the London field office conducting interviews to replace Mr. David Keltner who retired effective October 1st.

State Cost Share Progress - While working with State Cost Share this year it became necessary to change the existing computer system. In doing so the program was faced with major, unforeseen, problems. For approximately one (1) week the KSW3's could not be seen. It was reported later that they were in fact there but they could not be viewed. Ms. Richardson asked for trust on the part of the districts while this issue is being corrected. She sent all districts a list of the KSW3's received requesting that they double check their counties as well as looking for any duplicates.

Ms. Richardson has completed four (4) rankings so far but is not satisfied with any of them at this point. The ranking criteria is currently being carefully scrutinized to ensure that DOC is abiding by all the regulations which oversee the program with the goal being to make it as transparent and fair as possible to all applicants. The second phase will involve revamping the actual application the farmer sees with a special emphasis being placed on updating.

The program has approximately \$6 million. The total applications received was one thousand seven hundred and eighty-eight (1788) with the finances requested totaling approximately \$14.1 million. As it stands however we will be able to fund a little over seven hundred (700) of these applications. Ms. Richardson is asking the board for approval to use \$5.8 million for this purpose and allowing the remaining funds to be reserved for environmental grants. Motion to approve was made by Mr. Sanford Holbrook. Motion seconded by Mr. Billy Doolin. **Motion carried.**

Districts will be notified of approval status by December 1st so they will have the entire month to contact the landowners who may start their projects effective January 1st, 2015 and will have the calendar year to complete the same with the option of two (2) six (6) month extensions if needed.

A list detailing environmental grant monies was distributed. The \$290,000 total reflected "dead animal removal" funds only, since in the past the commission has always approved these requests. Ms. Richardson pointed out that this figure totaled more than half of the entire environmental grant budget. A motion was made by Mr. Sanford Holbrook to approve the environmental grants with the stipulation that each county may receive a maximum of five thousand dollars (\$5,000) or total amount requested if less than five thousand dollars, and that no more than two (2) applications be approved per county. Motion seconded by Mr. Ray Adams. **Motion carried.**

Mr. Scotty Parsons questioned why composting of animals was not being promoted more in our districts. He stated that he began composting three (3) years ago and that the process was clean (odorless), safe, easy and cheap. Basically the only equipment necessary is a tractor equipped with a front-end loader. A pad is not required. The county road departments and utility companies will generally provide the farmer with as much mulch as they need. Mr. Ray Adams commented that as long as the money was being made available to the counties for this service then they were not going to change. He added that perhaps an announcement should be made that within two (2) years this program's funding would end and then redirect these funds to assist farmers in beginning their own compost projects. Mr. Adams concluded by saying he felt this transition could be greatly enhanced if we had the KY Cattleman's Association and Farm Bureau, among others, to assist by endorsing composting. Mr. Danny Shipley suggested having a panel discussion concerning this at the next convention. The suggestion was also made to recruit good farmers in our districts to volunteer to set up pilot compost projects so that neighboring farms could see how this works firsthand. Ms. Johnna McHugh will look into the question if a permit is required for composting. At Chairman John Denton's request Ms. Richardson will ask that Dr. Steve Higgins, University of Kentucky Research Experiment Station, speak with the commission once again on this topic.

Direct Aid - Ms. Kim Richardson addressed the need for Direct Aid Funds to be fully transparent with the capability to explain how any expended money has been used, at any given time. At the September board meeting the commission requested Ms. Richardson for additional information to help with implementing changes to the Direct Aid program. She has since had all DOC field representatives separate the restricted and non-restricted funds in every conservation district. Ms. Johnna McHugh distributed copies, for meeting use only, of the reworked spreadsheet that both she and Ms. Richardson compiled, listing the additional information to help the commission with distribution of Direct Aid funds. The most important change being the separate listing of restricted and non-restricted funds. Another new change would be taking into account the number of employees: one (1) point given to districts with one (1) employee, two (2) points given for districts having two (2) or more employees. This ranking system, as presented, would keep the commission within the \$879,000 limit with a small reserve left for emergency funding. It was noted that this new proposed system kept the distribution fairly even across the board with fifty-eight (58) districts receiving more funding than last year and sixty-three (63) districts receiving less. Ms. McHugh asked the commission to review their spreadsheets and make any additions/deletions or comments they deemed necessary. Mr. Sanford Holbrook suggested that a code eight (8) be decreased from \$14,000 to \$12,000. Mr. Danny Shipley commended the hard work of Ms. Richardson and Ms. McHugh on this project. It was decided that it would not be necessary for the commission to take action on this proposal at this meeting to allow more time for consideration. It will be reintroduced at the January meeting.

DOC, working jointly with the commission, is in hopes that an equitable system for Direct Aid Fund distribution will be in place for the spring meetings. Ms. Richardson added that an additional benefit would be when the new system is in place, the districts would no longer need to submit a request for funding. Actually they would know the exact amount they would be receiving based on their annual financial report.

Agency Reports

Natural Resources Conservation Service – Mr. Reed Cripps, Assistant State Conservationist, presented the report on behalf of Ms. Karen Woodrich. NRCS is currently operating on a Continuing Resolution which means their budget ends December 11, 2014. Hopefully they will soon be receiving word on 2015's appropriation.

Things are now beginning to settle in nicely after the recent restructuring. Training was held in the state office this past week for their Natural Resource Managers, the leaders of the newly created fourteen (14) work units. NRCS is also experiencing “administrative transformation” which means all administrative positions will be transitioning from the state to a national level. This could possibly affect the amount of time it will take to hire for vacant positions.

NRCS will be hosting a “No Till and Cover Crop Soil Health Forum” on December 17th in Princeton, KY at UK’s Research Station. It will be led by a panel made up of farmers from across the state to openly discuss the best methods to implement cover crops in Kentucky. Lunch and snacks will be provided. The contact person for the event is Mr. Steve Blanford. KACD President David Rowlett stated that he had sent out an e-mail to all the districts encouraging them to get the word out about this event.

The EQIP Program application deadline is Friday, November 21st. There will be a second signup in March 2015. For fiscal year 2014, which ended in September, \$11 million was obligated to the EQIP Program. Approximately 2/3’s of that money went to the central part of the state for grassland operations.

Mr. Cripps will be at the Cumberland Inn tomorrow, November 18th, attending a round table discussion concerning the “Promise Zone,” a presidential initiative designating an eight (8) county region in far southeastern Kentucky to expend additional federal dollars for the purpose of helping promote the economy in this area. On Wednesday the 19th they will invite landowners from this region to an open house to introduce them to opportunities available to them.

Kentucky Department for Natural Resources – Deputy Commissioner Sandy Gruzesky presented the report. An update on Kentucky’s Nutrient Reduction Program was issued on November 14, 2014. While they are currently receiving comments they are intending for a finalization sometime in January 2015.

Kentucky Department of Agriculture - Mr. Steve Kelly was not in attendance.

Agriculture Education/FFA State Advisor – Mr. Brandon Davis was not in attendance.

Farm Service Agency - Mr. John McCauley, State Executive Director, was not in attendance.

University of Kentucky Research Experiment Station - Dr. Steve Higgins was not in attendance.

Division of Forestry - Ms. Leah MacSwords, Director, was not in attendance. Deputy Commissioner Sandy Gruzesky, DNR, highlighted the task force which was beginning to meet to discuss the increasing problem of timber theft in our state.

KACD President David Rowlett added that bloodhounds were now being used in Kentucky to assist in tracking arsonist.

KACDE - Ms. Leslie Fourqurean was not in attendance.

Next Board Meeting - will be held in conjunction with KACD Board Meeting in January. The exact date to be announced.

Other Business

DOC Director Kim Richardson gave an update on the possible misappropriation of funds by the Breathitt County Conservation District. Ms. Richardson stated that Tichenor and Associates has completed an audit of the district but the finalized report has not yet been issued.

Director Richardson also updated the board on the letter they instructed her to write in response to allegations made by the Graves County Conservation District that DOC returned \$40,000 to their state legislators and to Chairman John Denton. Ms. Richardson requested they respond to her letter by November 17th so that she could present her findings at this board meeting. However, as of this date, they have yet to reply.

Adjournment - Motion to adjourn was made by Mr. Scotty Parsons. Motion seconded by Mr. Sanford Holbrook. **Motion carried**, meeting adjourned at 10:25 a.m.